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## **OLR Bill Analysis**

**sHB 6566 (as amended by House "A")\***

### ***AN ACT CONCERNING TRANSPARENCY IN ECONOMIC ASSISTANCE PROGRAMS.***

#### **SUMMARY:**

By January 1, 2014, this bill requires the Department of Economic and Community Development (DECD) to create online electronic databases allowing people to search, retrieve, and download economic development data. It specifies the type of data DECD must provide, the time period it covers, and the deadlines for creating and updating the databases.

The bill requires the Department of Revenue Services (DRS) commissioner to develop a plan for preparing periodic online reports on how each state tax generating \$100 million or more affects different groups of people and businesses (i.e., tax incidence study). The plan must include cost estimates for reporting and posting the tax incidence study. The commissioner must prepare the plan in consultation with the Office of Policy and Management (OPM) secretary and submit it and implementing recommendations to the Finance, Revenue and Bonding Committee by January 1, 2014.

Lastly, the bill requires the comptroller to make more financial information available on his website.

\*House Amendment "A" replaces the underlying bill. It (1) limits the content of the economic development databases to DECD programs, excluding those administered by Connecticut Innovations, Inc. and the Capital Region Development Authority; (2) narrows the type of data DECD must include in the databases; (3) changes the timing for the data and the annual cycle for updating it; and (4) drops the requirements that (a) DECD explain the method and assumptions it used to create the databases and (b) the Office of Policy and

Management and the Office of Fiscal Analysis provide budgetary data on their websites.

EFFECTIVE DATE: July 1, 2013

## **ECONOMIC DEVELOPMENT DATABASE**

### ***Format***

The bill requires the DECD commissioner to create databases on the department's website allowing people to access information about economic development assistance given to recruit or retain businesses. The databases must specifically allow people to search and download different data sets about businesses and the assistance they received from DECD. But they must provide access to this information only to the extent federal and state law allows. The bill further specifies that it does not require DECD to disclose any information it must keep confidential under state and federal law.

### ***Content***

The bill specifies the type of data DECD must include in the databases, distinguishing between (1) grants, loans, payments, and enterprise zone property tax abatements DECD administers and (2) tax credits for:

1. research and experiment expenditures (CGS § 12-217j),
2. research and development expenditures (CGS § 12-217n),
3. property taxes paid for electronic data processing equipment (CGS § 12-217t),
4. fixed capital (CGS § 12-217w),
5. film production (CGS § 12-217jj),
6. entertainment industry infrastructure (CGS § 12-217kk),
7. digital animation production (CGS § 12-217ll),
8. job expansion (hires before January 1, 2014) (CGS § 12-217pp),

and

9. urban and industrial sites reinvestment (CGS § 32-9t).

***Economic Development Assistance.*** The databases on assistance provided under the economic development statutes must include:

1. the name and principal location of each recipient of economic development assistance, excluding information related to an officer's or employee's residence;
2. the amount or value of assistance and the statutory authority under which it was provided;
3. the number of people each recipient employed when it was awarded assistance, and the number of jobs it created or retained, if available; and
4. the terms and conditions imposed on each recipient and whether it has complied with them.

***Business Tax Credits.*** The databases on the business tax credits must provide:

1. the amount of each credit that DECD approved or otherwise authorized;
2. the amount of credit that was claimed and applied toward a tax liability and the carried forward amount; and
3. to the extent available, the results of DECD's most recent analysis of the economic and employment impact of each credit and the most recent analysis of each credit's economic and employment impact, as reported in DECD's three-year assessment of state business tax credit and abatement programs.

***Availability***

The DECD commissioner must create the databases in collaboration with the revenue services commissioner and make them available on

DECD's website. The data for economic assistance and tax credits must provide data for the preceding five fiscal years and the preceding five tax years, respectively. DECD must update the data by January 1 annually, and make it available on its website.

### **FINANCIAL DATA**

The bill requires the comptroller to post on his website any financial tables included in his annual report, which is due each December 31. He must post the tables in a database people can download. By law, the report must include expense and revenue statements for each state agency receiving general fund appropriations, tax receipt statements, and year-end fund balances.

### **COMMITTEE ACTION**

Finance, Revenue and Bonding Committee

Joint Favorable Substitute

Yea 44 Nay 5 (04/12/2013)